

S E C R E T

OS 7630
FILE Sec 12

3 December 1980

MEMORANDUM FOR: Director of Central Intelligence

THROUGH: Deputy Director of Central Intelligence

FROM:

SA to the DCI for Compartmentation

SUBJECT: APEX - Navy Issue Paper

1. This memorandum comments on Admiral Shapiro's issue paper. The paper recommends that APEX be restudied with the objective of a less ambitious plan. The paper does recommend continuing effort on a few APEX facets.

25X1

2. This paper, like NSA's paper and the five from -to be forwarded in the next day or two--reflects major abandonments of positions agreed to in earlier NFIB approvals of various APEX papers. A basic problem in looking at these changing positions is that the APEX plan and these re-stated or newly stated concerns about it are all based mostly on intuition. There is no collection of objective data that supports either remedies for existing systems or replacement of them by APEX. Peripheral data, e.g., numbers of people with access, can be cited as problems with existing systems, but even these problems have not and probably cannot be "proved" with objective data. They are instead illustrated by specific examples or experience believed to be more or less exemplary of widespread conditions.

25X1

25X1

3. The background statements in the Navy paper fall, in my view, under this intuitive process. I believe, contrary to the "Background" Statements in the paper, that APEX is, even now, significantly simpler than the sum of extant systems, that APEX, if effectively implemented, will be beneficial to security, that reasonable progress is being made with second parties and that the process of starting APEX can help with the "leak" problem. I cannot, however, prove that I am right and that the Navy is wrong.

25X1

4. Disagreement with a reasonably fundamental APEX element, long since approved by NFIB, is basic to Navy's concern. APEX is built on a premise that the APEX system, per se, is not sensitive and is classifiable under

25X1

OS 0 3040

S E C R E T

S E C R E T

25X1 Executive Order 12065 only at Confidential and Secret levels. The Navy, as well as NSA and [] people, are reviewing their concerns with this approach. Compartmentation of APEX, APEX codewords and project identifiers and all other APEX trappings is desired. These things are compartmented in the extant systems. Their removal from compartmentation appears to be the specific basis of the Navy's comments labeled "Discussion." If better security were the only APEX objective, I would agree with the position. More rational (admittedly rational as I view it) use of compartmentation presumes that the onion-layer theory of protection must face diminished use. This theory results directly in excessive compartmentation of material and unnecessary access approvals. Indeed, I read the "Final Report" to direct such a reduction. []

25X1 5. The Navy's other concerns are, again, with resource implications of APEX. []

25X1

25X1 SA/DCI/[] (3 December 1980)

Distribution:

Orig - Addressee

1 - DDCI

1 - Executive Registry

✓ 1 - DCI APEX Security Officer []

1 - Richard Welch, Navy

1 - SA/DCI/C File

1 - SA/DCI/C Chrono

25X1

S E C R E T